

THE TRUTH BEHIND
TTIP



nipsa
Global  solidarity

June 2015

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Preface

This publication is the text of a speech made by John McVey (NIPSA Policy and Research) at NIPSA's Global Solidarity seminar on the Transatlantic Trade and Investment Partnership (TTIP) event in January 2015. This speech provided an introduction to the presentation on the day from John Hilary of War on Want who has led their campaign against the threat posed by this treaty and whose important report on the issue has just been updated (<http://www.waronwant.org/campaigns/trade-justice/more/inform/18078-what-is-ttip>).

Our seminar wished to raise awareness on this issue as unlike traditional free trade agreements, the Transatlantic Trade and Investment Partnership (TTIP) currently being negotiated in secret between the EU and the US is not designed to remove border tariffs, those went long ago. Instead it is aimed at removing regulatory 'barriers' within nation states. This will be done through the use of so called 'Investor State Dispute Settlements' (ISDS) and have already been used to subvert democracy and the rule of law in other free trade zones. The 'barriers' that corporations have in mind to dismantle include food safety laws, environmental protections and workers' rights. TTIP also has the potential to open up our public services, in particular health and education, to foreign companies in an unprecedented new wave of privatisation. In other words governance by national parliaments and the democratic process will be permitted, but only to the point where the CEOs and boards of large corporations say that it's ok.

The TTIP negotiations were never intended to be made public. The German Green party (alarmed at the prospect of large scale environmental deregulations) leaked a draft copy in March 2014 and since then opposition has been growing steadily across Europe. The scale of the threat posed by TTIP, however, has not yet entered the mainstream of public consciousness.

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The public services and protections that are under threat if the TTIP deal is agreed include:

- **The NHS:** In addition to opening up NHS contracts to US private health insurers it will become impossible for any future government to reverse the privatisation of NHS services without compensating private health firms for the loss of their projected profits.
- **Food safety:** Currently the European Union restricts the sale of US beef treated with growth hormones linked to cancer in humans; 'regulatory convergence' could make these restrictions illegal. Similarly endocrine disruptors, widely used in pesticides in US food production and which can damage the human hormone system would no longer be restricted to the level currently allowed in the EU thereby permitting US food imports currently deemed unsafe to be sold in the UK and Ireland.
- **Environmental protection:** If the Northern Ireland Executive makes a decision to refuse the use of hydraulic fracking by foreign companies, those companies could avail of ISDS to sue the Executive for the loss of projected profits. Also current EU environmental regulations introduced in 2007 requires industry to prove that a chemical is safe before it is used, whereas in the US a substance has to be proved unsafe before its use can be restricted. The result is the US currently prohibits 12 substances from use in cosmetics while the EU bans 1200. Any 'regulatory convergence' in environmental protection will undoubtedly be at the lowest common denominator.
- **Public health:** When Australia attempted to introduce plain packaging for cigarettes the tobacco giant Philip Morris turned to ISDS to sue the Australian government. Philip Morris arbitrated under the terms of their free trade agreement with the US due to the potential impact on cigarette sales.

- **Labour rights:** Harmonisation of EU and US labour laws would inevitably lead to a downgrading of collective bargaining agreements and trade union recognition.

This is just the tip of the iceberg; it is not an exaggeration to say that TTIP has the potential to undermine both European and US democracy. According to John Hilary the Executive Director of War on Want,

“Perhaps the greatest threat posed by TTIP is that it seeks to grant transnational corporations the power to sue individual countries directly for losses suffered in their jurisdictions as a result of public policy decisions. This provision for ‘Investor-State dispute settlements’ (ISDS) is unparalleled in its implications, in that it elevates transnational capital to a legal status equivalent to that of the nation State.”

Fighting Back

We need to defeat TTIP and we need you to help:

- Contact your MLA and MEP explaining your concerns over TTIP. NIPSA has produced a template letter which can be accessed from our website at [http://www.nipsa.org.uk/NIPSA-in-Action/Global-Solidarity/Campaigns-\(New\)/TTIP](http://www.nipsa.org.uk/NIPSA-in-Action/Global-Solidarity/Campaigns-(New)/TTIP)
- Sign up to say **“No”** to TTIP through War on Want on-line petition: www.waronwant.org/eci
- Order TTIP campaign materials available in different language from War on Want website: www.waronwant.org and display on branch notice boards.
- Organise a local event and engage with your local Trades Council to build the campaign against TTIP.

Introduction

What I would like to concentrate on is the broad anti-democratic threat that TTIP represents to all of us and what forces are shaping this threat. It is welcome and essential that the Trade Union movement brings this issue to people's attention because, as our flyer for this event makes clear, it potentially affects every aspect of the society in which we live – in health, food safety, environmental protection, labour rights and so on and is an explicit attack on any concept of us having democratic control over the society we want to shape for ourselves.

The second point is that it will have to be us and our progressive networks that bring it to people's attention as the mainstream media is itself a corporate entity and as such will not explore or challenge the powerful interests who are supporting TTIP and its allied treaties. We only have to look at the propaganda around the Northern Ireland Executive possibly cutting corporation tax to see this. This allowed a self-interested campaign led by companies that profit from tax avoidance to dominate economic debate and cheer on a policy that will damage public services. The corporations have been so successful that all of the political parties in the Executive have swallowed this lie. So what sort of ideology and associated economic policy are they cheering on and what's the relevance to TTIP?

The 'Bite' of Corporate Law

Just one example. In 2011 there was the much hyped arrival in Belfast of the international law firm Allen and Overy. While we were supposed to be flattered by their arrival - there wasn't much attention given to the fact that the move suggested a means of "near-sourcing"¹ their support function from London to Belfast as we paid for the privilege of their presence via Invest NI paying them £860,000 to do so². But there's an interesting link between this and the wider corporate surrender we're

talking about today. It is the fact that Allen and Overy's "special global counsel" is a man called Philip Wood.

Wood who in this year's New Year's Honours list got a CBE wrote a paper in 2009³ where he described nationalisation in historic terms as "plunder and looting" and compared the "real bite" of corporate law to gunboat diplomacy of the past as a means of defending big investors. Woods' paper condemned governments such as Bolivia for their nationalisations and celebrated the way international treaties can now defend corporations against governments. So, in other words the job of firms like his - most notably in Greece - was to protect the bondholders (the Greek and European banks) who profit from national debt and ensure that when the economic bubble burst and the state is faced with a choice of who should suffer - the bankers or the people - they decide in favour of the bondholders and their rigged markets. Obviously nothing like that would happen in the UK or Ireland of course!

Democracy versus 'social revenge'

So with the political class and an embedded media captured and bowing down to corporate power, it falls to the TU Movement to provide the direct challenge to the ambition of TTIP. It has been said that "nothing has contributed more to giving the individual increased freedom in our society over the past hundred years than the collective struggle of the labour movement"⁴ so now, more than ever, we need trade unions to defend fully workers' terms and conditions when they are under threat and there is no greater or broader threat to them than that represented by TTIP.

While the development of democratic demands, the attempt to transfer "power from the wallet to the ballot"⁵ has been long-standing, it has always been bitterly fought. The powerful, who see their "ill-gotten gains" threatened by such developments, have never regarded

concessions as irreversible. When they grumble about “red tape” or “over-regulation” they are usually complaining about hard-won protections against damaging corporate behaviour. They use each and every opportunity to undermine the universalism and control (however limited) any democratic break on corporate profiteering has brought about. This most recent neoliberal assault has been described as a form of “social revenge, [by the] the economic and political elite in society...to re-conquer privileges they lost through the democratisation, regulation and re-distribution of the welfare state.”⁶

This fits an historic pattern where the capitalist ruling class has never hesitated to undermine democratic challenge by whatever means, including fascism. An example of this came to light recently when a memo from investment bank J.P. Morgan was disclosed. It lamented the fact that it wasn't as easy to trade in some countries as they would like it to be. It blamed the type of post-war society the communists, socialists and social democrats who had defeated the Nazis had created and stated that it was a much easier and preferable environment for them when the fascists in Spain and Portugal were still in control as late as the 1970s. As any student of history knows there is a long history of covert and overt military interventions to destroy any movement who argues “another way is possible”. We remember what they did in the less famous 9/11 - the 9/11 in 1973 in Chile, when Kissinger and Nixon ordered the CIA to “make the economy scream” and then to overthrow the democratically elected government of Salvador Allende in order to install the fascist Pinochet. So while that's the clear subversion in relation to military coup, today we are looking at the corporate version.

TTIP and 'locked-in' standards

You might be wondering “why now?” in relation to the corporate power grab of TTIP. It’s not as if the corporations are short of money. As we know the neoliberal model of the last 30 years has shown the lie of “trickle down” economics. For example as Oxfam revealed⁷ 85 individuals have the same net wealth as half the Earth’s population (3.5 billion people). Similarly, how restrictive it must be for Primark’s parent company (Associated British Foods) to only be able to post profit of ½ a billion pounds in 2013⁸ as their suppliers’ garment workers in Bangladesh work for 7 pence an hour! So if this class as a whole has so much, why TTIP and why now? The answer lies in the fact that for the major imperial power blocs – the US and the EU, who control over 40% of world trade, the World Trade Organisation no longer dances as readily to their tune and they see and fear a future threat in the emerging BRICS economies (Brazil, Russia, India, China and South Africa).

So they want to lock in trading standards that will be compulsory for nations, particularly China, in the future. An article in the Financial Times in June 2013 summed this up. It said: “the shift of gravity to Asia cannot be stopped. But a grand deal will be likely to delay the impact on the Atlantic Regions influence. By integrating their markets now, the US and the EU would, through their combined magnetic power, secure their ability to set market standards in the rest of the world”⁹.

Crushing alternative economic development

And what would those standards be? TTIP supporters claim it will deliver savings in the price of goods. But where will those savings come from? The answer to this they say is lower production costs but this can only be achieved through workers paying the price in pay and terms and

conditions as firms race to the bottom and dilute all aspects of safety – both the conditions the worker operates in and what they actually produce. This product let's remember - includes everything we eat and drink.

TTIP by outlawing the state being allowed to subsidise what is sold thus attempts to control and crush any chance for alternative economic development to flourish in the present, and by granting huge power to future legal challenge from corporations prohibits the reversal of current neoliberal policies in the future. In this way – in this completely undemocratic way – it weakens those countries that try to develop in a manner that isn't controlled and dominated by big business. Outside TTIP we have already seen this with individual legal cases in Germany, Canada, Australia, Mexico and Argentina and we also see this at the moment with the deliberate manipulation of the world's oil price which has a neoliberal aim of damaging the Russian, Venezuelan and Cuban economies.

The illusion of “social Europe”

I have mentioned how TTIP, at its heart, is anti-democratic. The value of our examination of it is that it also shines a bright light and forces us to address the fact that the structures and rules of the European Union itself are barriers to the exercise of our democratic rights. In its original form, the “common market” was once rightfully referred to as a “bosses club”. The expansion of its economic, political and military ambitions via a series of treaties (including the Lisbon Treaty) based on compulsory, uncritical acceptance of market capitalism has shown the accuracy of this description. The illusion of the “social Europe” has been swiftly jettisoned in the “age of austerity” and the full force of undemocratic, anti-worker EU directives (legalising the race to the bottom on terms and conditions, insisting on imposing the policies of de-regulation and privatisation etc.) has become clearer.

The failure on the Left to properly challenge these core facts of the EU's economic project has allowed right wing forces across Europe to mount a narrow, racist opposition to EU expansionism while these hypocrites remain silent on wider corporate plunder. On the latter it is significant for example that the UK's right wing elements are at their most "anti-Brussels" when the City of London's specific malpractices are threatened, but silent and supportive when the European Union Directives undermine workers' rights, pay and pensions. The silence on TTIP from the patriots of all descriptions is deafening. How many MPs, MLAs, TDs have we seen being interviewed in their offices with a national flag in the corner of it? That's as close to the illusion of national and political control they will ever get if they continue to surrender to the corporations on TTIP and the rest of the neoliberal agenda. So TTIP shines a light on the essence of the EU – anti-worker, neoliberal and imperialist and the trade union movement should now take on the "bosses club" – but from the left by burying the lie of its social partnership, not praising it.

Rejecting TTIP for true internationalism

This must also inform our opposition. It's the traditional approach of negotiators in general and I don't need to tell a trade union audience this – to calculate when you've got enough from a deal to settle. The ultimate expression of this sometimes from a position of weakness is "half a loaf is better than no loaf at all". You might hear a variant of this when some argue in favour of TTIP with elements of it such as health, for example, taken out. The best rejection of this 'half a loaf' mindset I heard at a meeting once was this - half a loaf is not better than no loaf if that loaf is poisoned. As I've just explained, the TTIP loaf is laced with an anti-democratic, anti-progressive and imperialist poison. What would a health sector "protected" from TTIP look like as the society around it is dismantled and re-configured by TTIP? Such a stay of execution would not last long.

So the opposition should be clear and comprehensive – there is no TTIP lite – the half loaf is poisoned so it's no to TTIP in its entirety.

To reject the neoliberal economic shackles of the European Union is not to retreat into isolationism – it is to be truly internationalist. I mentioned earlier the military and economic wars waged against economic alternatives – particularly in Latin America – as historic warnings. But as well as warnings, how people fought back also provides inspiration. Across the world there have been huge campaigns fighting for retained public ownership. If we look, for example, at what has been described as 21st Century Socialism, we see “left” movements across a number of nations – Venezuela, Bolivia, Brazil, Ecuador etc. that have overcome huge economic, racial, and factional difficulties to build a broad popular constituency. They have fought for “what voters, all things considered, want: economic justice, a dignified life, peace and social welfare”¹⁰. The news from Greece and Spain and movements north and south fighting water privatization show our continent too is equally capable of building a similarly “broad alliance of the alienated, the discontented, the deprived and the dispossessed.”¹¹

Conclusion

Our campaign against TTIP starts from emphasizing its anti-democratic nature and communicating clearly its implications to our members, their families and society in general. In other words rooting what TTIP would mean to everyday experience – how pay, terms and conditions are affected, how our health service is under threat, how the food we eat will be unsafe, genetically modified, chemically saturated and produced by the cheapest labour working under minimal labour protection and so on.

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We constantly hear about how this abstract concept of the Markets will react to any political development, policy or budget. We've all seen or heard a reporter ask about a budget or an election "are the markets happy or reassured? I suppose that's an easier sell on the news than telling it how it is by saying – "I wonder will all those anti-democratic rich people in the City of London be happy with this budget? "I wonder are those corporate fascists reassured by this election?"

We always hear the one thing those markets hate is "uncertainty". In other words – they want certainty that the proceeds from their corporate crimes are not under threat. Well our job through all of our trade union activity, our resistance to privatisation in particular and outright opposition to TTIP is to rattle them with uncertainty and give them as many sleepless nights as possible.



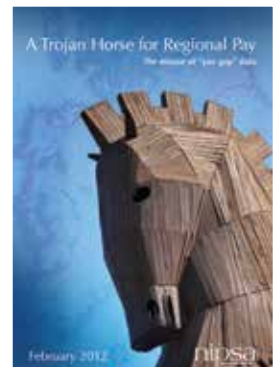
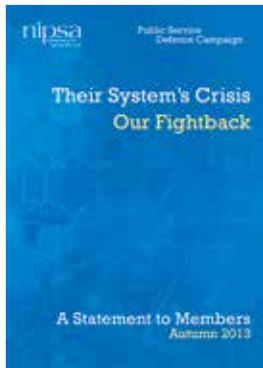
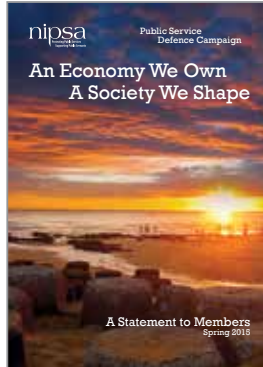
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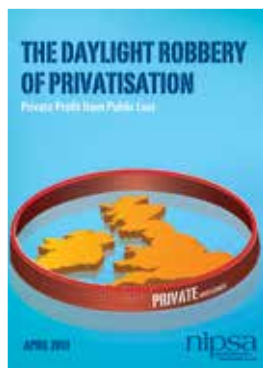
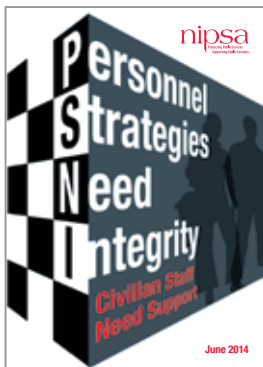
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Read the facts...



fight the myths



Booklets and accompanying leaflets are available as a PDF download from the NIPSA Website.

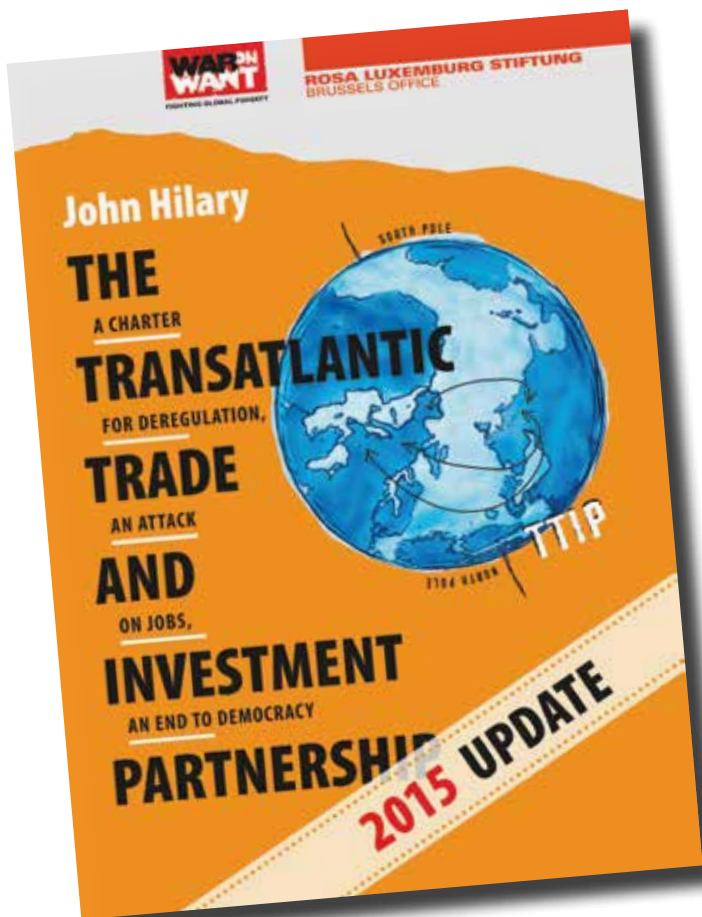
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